

EBA/DC/2021/373 (consolidated version)

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# Decision of the European Banking Authority

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of 18.02.2021

on information required for the monitoring of Basel supervisory standards

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Amended by:

➤A1 EBA/DC/426

26.01.2022

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## The Board of Supervisors

### Having regard to

Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC<sup>1</sup> and repealing Commission Decision 2009/78/EC1 (the 'EBA Regulation' and 'the EBA'), in particular Articles 8, 16a, 33 and 35 thereof;

### Whereas:

1. The EBA conducts already, in coordination and in parallel with the Basel Committee on Banking Supervision (BCBS), a monitoring exercise to assess the impact of the final Basel III framework on a sample of EU credit institutions. This exercise assesses the impact of the latest regulatory developments at BCBS level in the following areas: (a) global regulatory framework for more resilient banks and banking systems; (b) the Liquidity Coverage Ratio and liquidity risk monitoring tools; (c) the leverage ratio framework and disclosure requirements; (d) the Net Stable Funding Ratio; and the (e) the post-crisis reforms.
2. This exercise, which is currently only being carried out on a small sample of credit institutions and on a voluntary basis, should be extended to a broader and stable set of credit institutions, while having regard to the principle of proportionality, to assist the EBA to effectively represent

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<sup>1</sup> OJ L331, 15.12.2010, p. 12.

the interests of Union credit institutions in the BCBS and to provide informed opinions and technical advice to the Commission, the European Parliament and the Council regarding the implementation of the BCBS standards into the Union law also.

3. To ensure the consistency, accuracy and completeness of the data provided and thereby further enhance the credibility of the exercise within the broader context of the Union data strategy, there is a need to abort the voluntary nature of the exercise to ensure the integrity and high quality of the provided information, the commitment of credit institutions to participate in the exercise as well as the consistency of the data over time.
4. The sample of credit institutions subject to the exercise should be set out by competent authorities on the basis of criteria in accordance with this Decision. Global and Other Systemically Important Institutions (G-SIIs and O-SIIs) as well as credit institutions whose Tier 1 capital equals or exceeds EUR 3 billion, or total assets equal or exceeding EUR 30 billion, should be included in the sample. Other small and medium-sized credit institutions should be included in the sample in order to increase the representativeness to cover a significant part of Union banking system as well as the key banking business models in each jurisdiction.
5. To compensate for the expansion of the sample and coverage, the decision modifies the semi-annual character of the voluntary exercise by requesting information on an annual basis. The less frequent character of this mandatory exercise will represent a significant burden relief to a number of EU jurisdictions and correspondent credit institutions.
6. When determining the sample, the decision avoids any unnecessary extension of reporting obligations to credit institutions that have not previously participated in the exercise while, at the same time, it ensures that enough information on the various types of credit institutions by size and business models is made available to the EBA. In particular, the inclusion of a sufficient number of smaller credit institutions and business models ensures that, in the future, the EBA will have the data that allows it to address proportionality considerations in its impact assessments as well as in any technical advice or position taken on the BCBS standards and their application in the Union. In the current circumstances, proportionality assessments can only be based on ad hoc data collections.
7. To ensure that impact assessments can take into account all banking sectors of Member States irrespective of the structure of each sector and to enhance the level playing field across Member States, as to their participation in the conduct of impact assessments, the sample should represent a minimum percentage of risk-weighted exposure amounts or a number of credit institutions per Member State. Credit institutions that are included, as subsidiaries, in the data reporting of an EU parent institution established in another Member State should be counted in the RWA coverage of the Member State where the subsidiaries are established.
8. Where the information requested by the EBA is not available to the competent authority, the EBA may request information by way of a duly justified and reasoned data request directly from the credit institutions, which shall provide the EBA promptly and without undue delay with clear,

accurate and complete information. For this reason, if the competent authorities do not have access to the information requested by this Decision, there is a need to set out a direct information request by the EBA to the relevant institution to be submitted through the competent authorities.

9. There is a need to ensure that information set out in this Decision will be obtained from all relevant credit institutions under the same conditions. To that end, competent authorities, even those lacking access to the information, should collect and submit all relevant information to the EBA even for those credit institutions to which the EBA addresses the direct information request.
10. There is a need to set out dates and frequencies of the submissions and determine how quality of data will be ensured, confidentiality will be preserved and technical specification will be set out. To that end, the EBA will make available to competent authorities the validation rules, related to additional data quality checks, in advance of the submission dates.
11. There is a need to set out transitional provisions in order to allow the competent authorities to implement this Decision having regard to the difference between competent authorities that have or can acquire access to the data requested and competent authorities that lack such access and the data request will be made directly to the relevant credit institutions.

## Has decided as follows:

### Article 1 – Definitions

For the purposes of this Decision, the following definitions shall apply:

- a. 'Competent authorities' means authorities referred to in point (i) of Article 4 (2) of Regulation (EU) No 1093/2010.
- b. 'Credit institutions' means entities that are financial institutions as referred to in Article 4 (1) of Regulation (EU) No 1093/2010 and are also subject to Regulation (EU) No 575/2013 and to Directive 2013/36/EU.
- c. 'Small institution' means an institution with Tier 1 capital less than EUR 1.5 billion.
- d. 'Medium-sized institution' means an institution with Tier 1 capital equal or above EUR 1.5 and less than EUR 3 billion.
- e. 'Large institution' means an institution with Tier 1 capital equal or above EUR 3 billion or with value of total assets equal or above EUR 30 billion.
- f. 'Universal business model' means the model of universal banking where the institution offers both investment and banking, including payment, services, either within one Member State or on a cross-border context.
- g. 'Retail-oriented business model' means the business model that primarily involves retail banking, payment and investment services; consumer credit institutions, building societies, locally active savings, loan associations and cooperative credit institutions, private credit

institutions, custodian credit institutions and central counterparties shall be seen as falling under this model.

- h. 'Corporate-oriented business model' means the business model of merchant banking and leasing and factoring.
- i. 'Other specialised business model' means the business model not falling under points (f) to (h).

## **Article 2 – Data to be reported**

1. Competent authorities shall submit to the EBA, in accordance with the provisions set out in this decision, data set out in ANNEX I ("Basel Data"), which the competent authorities receive from credit institutions within the sample set out in Article 4 under their supervisory remit ("participating credit institutions").
2. Where the European Central Bank has submitted Basel Data for a participating institution, the relevant competent authorities shall refrain from submitting those data.
3. Where BCBS modifies the data necessary for the BCBS monitoring exercise, ANNEX I shall be modified accordingly. A notification of this modification shall be sent by the EBA staff to the members of this Board.

## **Article 3 – Level of application**

1. For credit institutions not belonging to groups, the submission referred to in paragraph 1 of Article 2 shall take place at the individual level.
2. For credit institutions belonging to groups with presence in one Member State only, the submission referred to paragraph 1 of Article 2 shall take place at the highest level of consolidation in that Member State, which is also the highest level of consolidation in the EU.
3. For credit institutions belonging to groups with presence in more than one Member State, the submission referred to in paragraph 1 of Article 2 shall take place at the highest level of consolidation in the EU. If such a submission at the highest level of consolidation in EU is not included, because the conditions set out in paragraphs 1, 2 and 3 of Article 4 have not been met, the submission shall take place at the level of sub-consolidation in a Member State, if in that Member State the institution or the relevant part of the group is an O-SII, or is a Large Institution and Article 4 (2) applies.

## **Article 4 – Participating credit institutions**

1. Competent authorities shall submit Basel Data for Global and Other Systemically Important institutions in their Member State, following the application of Article 3.

2. Where Global or Other Systemically Important institutions amount to less than 80% of the total risk-weighted exposure amounts in a Member State, and where the resulting number of credit institutions is less than 30, competent authorities shall submit Basel data for Large credit institutions, until a percentage of at least 80% of the total risk-weighted exposure amounts, or a sample of 30 credit institutions, in that Member State is achieved.
3. Where Global or Other Systemically Important and Large credit institutions (i) amount to less than 80% of the total risk-weighted exposure amounts in a Member State, and (ii) the resulting number of credit institutions is less than 30, and (iii) the banking system in that Member State represents at least 0.5% of the total EU risk-weighted exposure amounts, competent authorities shall expand the sample of credit institutions for which they shall submit Basel data by applying sequentially points (a) to (c) below until a percentage of at least 80% of the total risk-weighted exposure amounts, or a sample of 30 credit institutions, in that Member State is achieved or the selection criteria, in points (a) to (c) below, are exhausted:
  - (a) Add up to 20% of the number of medium-sized and small credit institutions with a universal business model, that have the highest Tier 1 capital;
  - (b) Add up to 2% of the number of medium-sized and small credit institutions with a retail-oriented business model, that have the highest Tier 1 capital;
  - (c) Add up to 20% of the number of medium-sized and small credit institutions with a corporate-oriented and other specialised business models, that have the highest Tier 1 capital;Points (a), (b) and (c) shall not be applied for credit institutions whose risk-weighted exposure amounts are less than **0.1% of** the total risk-weighted exposure amounts in that Member State.
4. To perform the calculations set out in paragraphs 1 to 3, competent authorities shall use the COREP template C02.00 column 010 row 010 (unique identification: 38483) dated on 31 December of the year prior to the calculation, as available to EBA on EUCLID<sup>2</sup>. Where this template is not available or appropriate to be relied upon exclusively, competent authorities may use other data following prior communication and agreement with the EBA.
5. Every three years, competent authorities shall make the calculations set out in this Article and establish the sample of participating credit institutions, which shall remain stable though these three years.

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<sup>2</sup> EBA/DC/2020/335 concerning the European Centralised Infrastructure of Data (EUCLID), <https://eba.europa.eu/risk-analysis-and-data/reporting-by-authorities>

6. By 30 September each year, competent authorities shall provide the EBA with the sample of participating credit institutions noting any change on the classification per business model and on the size of the participating credit institutions.
7. The EBA shall ensure that classification of credit institutions per business model is harmonised across the EU. For that purpose, it may request reclassification of a particular institution where appropriate by 31 October each year.
8. The EBA shall publish the final sample of participating credit institutions, including business model classification as per in this decision, by 1 December each year.

#### **Article 5 - Date and frequency of submission**

1. The submission of Basel data shall take place on an annual basis with reference date the 31 December of each year.
2. The participating credit institutions shall submit to the competent authorities the Basel data by the first Friday of April each year.
3. The competent authorities shall submit to the EBA the Basel data by the third Friday of April each year.
4. The competent authorities shall endeavour to submit any required revision of data, at the latest within another four (4) weeks from the dates of the initial submission set out in the previous paragraph.
5. Any further revision required shall be submitted by the competent authorities to the EBA without undue delay and not after 15 June each year.

#### **Article 6 - Quality of data**

1. With the submission of the relevant data to the EBA, the competent authorities warrant the data has undergone rigorous internal controls and quality checks. Where the competent authorities cannot warrant this for a particular set of the data submitted, the competent authorities shall draw the EBA's attention thereto.
2. The EBA may conduct additional quality checks of the data received to ensure consistency and, where needed, may require revisions from the competent authorities.
3. The EBA shall make the results of applied quality checks available to the competent authorities.

#### **Article 7 - Confidentiality and technical specifications**

1. All data submitted to the EBA according to this decision shall be covered by the EU law framework of professional secrecy and confidentiality and protection of personal data as applicable to the EBA.
2. Access to this data shall be provided in conformity with Regulation (EU) NO 1093/2010 and Regulation 2018/1725.

### **Article 8 – Miscellaneous**

1. Competent authorities not having access to Basel Data for credit institutions under their supervisory remit which fall within the scope of this decision shall submit to those credit institutions the EBA's direct information request set out in Annex II and shall otherwise apply all the provisions of this decision.
2. This decision is without prejudice to the EBA's power in accordance with Article 35 of the EBA Regulation to request the competent authorities to submit other data or data from credit institutions not falling under Article 4.
3. Competent authorities may submit data on additional credit institutions that they have available for credit institutions other than those set out in Article 4 or at levels other than those set out in Article 3 following prior agreement with the EBA.

### **Article 9 - Transitional provisions**

1. For the purpose of application of Article 4 for the first time, competent authorities shall use the COREP template C02.00 column 010 row 010 (unique identification: 38483) dated on 31/12/2020, as available to EBA on EUCLID, without prejudice to the second sentence of paragraph 4 of that Article.
2. Credit institutions that have not participated in the similar voluntary exercise shall submit Basel data (see Annex I), with reference date 31 December 2021, the last Friday of April 2022.
3. EBA shall communicate to the competent authorities the classification of credit institutions per business model. Within 10 days from the receipt of this communication, competent authorities shall confirm this classification.
4. EBA shall communicate to the competent authorities which templates listed in Annex I and for which participating credit institutions it will populated itself the data already available.
5. Competent authorities that have or can acquire access to the Basel data for credit institutions under their supervisory remit shall make the submission referred to in Article 4(6) by 30 September 2021.

6. Competent authorities that do not have and cannot acquire access to the Basel data for credit institutions under their supervisory remit shall notify the EBA of this lack of access and make the submission referred to in Article 4(6) by 31 March 2021.

### **Article 10 - Final provisions**

This decision enters into force immediately.

Done at Paris, 24.02.2021

José Manuel Campa

Chairperson

For the Board of Supervisors



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## ANNEX I 'BASEL DATA'

The completion of the following parts of the current structure of the Basel monitoring templates is mandatory for the participating banks:

### 1. General information

'Supervisory information': the NCA should correctly complete the flags – the EBA will use this info to produce further data quality checks and conduct the Basel III monitoring exercise;  
'General info': all flags;  
'EU General info': the LEI info;  
'DefCap': the entire worksheet.

### 2. Credit risk

If 'General Info'!C11 = 'Yes', then the completion of the entire 'Credit risk (SA)' worksheet is mandatory; the completion of columns AD – AE is not mandatory

If 'General Info'!C12 = 'Yes', then the completion of the following columns of 'Credit risk (IRB)' is mandatory: Z:AO, BM:CJ, CO:CQ; the completion of columns CL – CN is not mandatory

If 'General Info'!C13 = 'Yes', then the completion of the following columns of 'Credit risk (IRB)' is mandatory: N:Y, AL:AO, BA:BL, BY:CJ, CO:CQ; the completion of columns CL – CN is not mandatory

3. **Operational risk:** banks should complete the entire 'OpRisk' worksheet;
4. **Leverage ratio:** the completion of the 'Leverage ratio' worksheet is mandatory;
5. **Market risk:** for banks with market risk RWA > '%Threshold' [currently at 5%] of total risk weighted assets, the completion of the entire 'TB' is mandatory;
6. **EU specific information:** the templates below are mandatory for the impact assessment of the anticipated adjustments in the EU regulation implementing Basel III:
  - (a) **CVA:** credit institutions should complete the entire 'EU CVA' worksheet (D18:D23, D33:AR45) and part of 'CCR and CVA' worksheet (Panel B1, B2, B3a, B3b, B3c);
  - (b) **SME supporting factor:** credit institutions should complete the entire worksheet/panel that refers to the implementation of the SME supporting factor (Panel B1 of the 'Credit risk (SA)' template, and panel C1 of the 'Credit risk (IRB)' template).
  - (c) **Infrastructure supporting factor and specialised lending:** credit institutions should complete the entire worksheet/panel that refers to the implementation of the infrastructure supporting factors and the CRR3 proposal for specialised lending (Panel B2 of the 'Credit risk (SA)' template, and panel C2 of the 'Credit risk (IRB)' template).
  - (d) **Transitional SA-CCR application for credit risk output floor** (columns AI:AK of panel A, 'Credit risk (SA)'; columns CT:CY of panel A, 'Credit risk (IRB)');
  - (e) **Unrated corporates** (panel D, 'Credit risk (IRB)');

- (f) **Equity exposures in the “Credit Risk (SA)” and “Credit Risk (IRB)”** (panel C, ‘Credit risk (SA)’; panel E, ‘Credit risk (IRB)’);
- (g) **EU treatment of PSE / RGLA exposures in the “Credit Risk (IRB)”** (panel F, ‘Credit risk (IRB)’);
- (h) **Residential real estate** (panels A and B, “EU RRE”);
- (i) even though outside the scope of assessing the impact of the EU implementation of Basel III the EBA renders mandatory the completion of the ‘EU CCP’ template and of the following **IRRBB-related templates** for monitoring purposes:
  - i. ‘IRRBB exposures’ template;
  - ii. ‘IRRBB results’ template; and,
  - iii. ‘IRRBB IMS & CSRBB’ template.



## ANNEX II

### DIRECT INFORMATION REQUEST

To Institution X

Date

In accordance with EBA/Decision/XXXX (the “decision”) and for the reasons set out therein, EBA requests from competent authorities the submission of information from a sample of participating credit institutions to be determined in accordance with Article 4 of the decision.

According to Article 35 (6) of Regulation (EU) No 1093/2010, where complete or accurate information is not available in the competent authorities, the EBA may request that information, by way of a duly justified and reasoned request, directly from the relevant institution. The addressee institution of such a request shall provide the EBA promptly and without undue delay with clear, accurate and complete information. At the request of the EBA, the competent authorities shall assist the EBA in collecting the information.

The relevant competent authority has notified the EBA that your institution is within the sample of participating credit institutions while it has confirmed that it does not have legal access to that data.

Against this background, the EBA is requesting directly from your institution the submission to the EBA of the data set out in the decision, as follows:

- (1) Your institution shall submit data in accordance with Annex 1 of the decision;
- (2) The submission of this data shall take place on an annual basis with reference date the 31 December of each year and with first reference date 31 December 2021;
- (3) Your institution shall submit the data to its competent authority, which will then submit it to the EBA;
- (4) The submission of the data to the competent authority shall take place by the first Friday of April each year;
- (5) The data shall be submitted at the following level(s) (competent authority to tick the relevant boxes):  
EU consolidated level;  
MS consolidated level;  
Individual level

- (6) Your institution shall endeavour to submit any required revision of data asked by the competent authority or the EBA directly, at the latest within another two (2) weeks from the dates of the initial submission set out in the previous paragraphs;
- (7) Any further revision required by the competent authority or the EBA directly shall be submitted by your institution without undue delay;
- (8) With the submission of the relevant data, your institution warrant the data are complete, accurate and consistent;
- (9) Where your institution cannot warrant this for a particular set of the data submitted, it shall draw the attention of its competent authority thereto;
- (10) The EBA may conduct or ask the competent authority to conduct additional quality checks of the data received to ensure consistency and, where needed, may require revisions from the competent authorities;
- (11) All data submitted to the EBA, either directly or through the competent authority, shall be covered by the EU law framework of professional secrecy and confidentiality and protection of personal data as applicable to the EBA;
- (12) Access to the data shall be provided in conformity with Regulation (EU) No 1093/2010 and the European Data Protection Regulation.

For any additional information or clarification please refer to your competent authority.

Jose Manuel Campa

For the EBA